

OGC Has Reviewed

*as previously agreed upon by the Council's predecessor,
the CIA Career Service Board.*

0055/T-12

~~SECRET~~

CONFIDENTIAL

OGC Has Reviewed

CIA CAREER COUNCIL

12th Meeting

Friday, 9 September 1955

DCI Conference Room

Administration Building

Distribution:

cc pp. 2 thru 41 - General Counsel 25X1A9A
cc pp. 2 thru 41 - Plans Staff, OP
cc pp. 1 & 2 -

~~SECRET~~

~~SECRET~~

~~CONFIDENTIAL~~

CIA CAREER COUNCIL

12th Meeting

Friday, 9 September 1955

DCI Conference Room

Administration Building

Present

Harrison G. Reynolds
Director of Personnel
Chairman

Sherman Kent
Acting DD/I
Alternate for DD/I, Member

Lyman B. Kirkpatrick
Inspector General
Member

H. Gates Lloyd
Acting DD/S
Alternate for DD/S, Member

[REDACTED]
Director of Communications
Member

25X1A9A

[REDACTED]
Executive Officer, OTR
Alternate for D/TR, Member

25X1A9A

[REDACTED]
Alternate for DD/P, Member

25X1A9A

[REDACTED]
Executive Secretary

25X1A9A

[REDACTED]
Reporter

25X1A9A

Guests

[REDACTED]
Special Support Assistant to DD/S

25X1A9A

~~SECRET~~

~~CONFIDENTIAL~~

~~SECRET~~

Guests (Continued):

[REDACTED]
Deputy Director of Security

[REDACTED]
Office of Personnel

[REDACTED]
Office of Personnel

Lawrence R. Houston
General Counsel

[REDACTED]
Office of Personnel

Walter Pforzheimer
Legislative Counsel

Edward R. Saunders
Comptroller

[REDACTED]
Special Assistant to DD/I

John R. Tietjen
Chief, Medical Staff

[REDACTED]
Deputy Director of Personnel

John S. Warner
Deputy General Counsel

25X1A9A

25X1A9A

25X1A9A

25X1A9A

25X1A9A

25X1A9A

CONFIDENTIAL

~~SECRET~~

CONFIDENTIAL

~~SECRET~~~~CONFIDENTIAL~~

C-O-N-T-E-N-T-S

Agenda Item No.		Page	
1	Approval of Minutes of 11th Meeting. . .	1	
2	Revised Notice - Selection of Candidates to Senior Schools of the Department of Defense.	1	25X1
3	Approval of Revised Staff Study - "Intelligence Decorations", dated 23 August 1955	2	
4	Proposed Legislative Program and Its Relation to Program Recommended by Career Council and Approved in Principle by the Director in 1954:		
	Section 1	2	
	Section 2	3	
	Section 3	4	
	Section 4	5	
	Section 5	6	
	Section 6	8	
	Section 7	12	
	Section 8	12	
	Section 9	13	
	Section 10	15	
	Section 11	18	
	Section 12	21	
	Section 13	23	
	Section 14	23	
	Missing Persons.	26	
	Re-insurance	29	
	Statutory Authority for Career Service	30	
	Compassionate Leave.	32	
	Emergency Areas.	33	
5	Analysis of Retirement Bill Proposed by Civil Service Commission (Kaplan Bill), With Special Reference to CIA Retire- ment Proposal.	34	

~~SECRET~~

~~SECRET~~

CONFIDENTIAL

. . . The 12th meeting of the CIA Career Council convened at 3:00 p.m., Friday, 9 September 1955, in the DCI Conference Room, Administration Building, with Mr. Harrison G. Reynolds presiding . . .

MR. REYNOLDS: The meeting will please come to order.

Attached to your agenda are the minutes for the 11th meeting, for your approval. Do I hear a motion that they be approved?

MR. KIRKPATRICK: So moved.

. . . Minutes of the 11th meeting were approved . . .

MR. REYNOLDS: Item 2 on the agenda is a paper which carries out the wishes of this Council in connection with the training at non-CIA facilities of persons selected for the various colleges, war colleges, etc. It is already in print and we are giving it to you here as a matter of information. I don't believe that any vote is required for your acceptance, because you have already seen it before.

25X1A9A [] This provides for the Defense Colleges Selection Panel to canvass the Agency and consider those persons who might be selected as well as those who apply. In other words, the applicants for the colleges are considered along with those which the Agency might wish to nominate and assign to a college.

MR. REYNOLDS: Any comments on that?

MR. KENT: Mr. Chairman, I understand at a previous meeting the question of CIA getting a slot at the NATO War College was taken up. I wonder if there was any report on that?

MR. REYNOLDS: No report on it yet, Sir.

25X1A9A [] It wasn't discussed.

MR. REYNOLDS: It was not discussed at our meetings. I think Matt mentioned it to me. We talked about it, I know. There was some meeting he had had, I know.

25X1A9A []: That is right.

MR. KENT: A very desirable slot.

25X1A9A MR. REYNOLDS: Would you [indicating []] make a note to ask Matt about that?

25X1A9A [] Is there anything about increasing the number

~~SECRET~~

~~SECRET~~

of slots available to CIA? Those for the National War College were reduced.

MR. KIRKPATRICK: I think the answer there is that as far as this session is concerned, it stays at two, with the possibility of getting the Joint Chiefs to revise it.

25X1A9A [] And the selection of the best possible candidate will perhaps help in that. The mechanism we have here now will help in the Director's representations to the Joint Chiefs.

MR. REYNOLDS: Item 3 is presented to the Council at the request of General Cabell, who approved certain changes. []

25X1A9A [] and myself met with General Cabell, and he agreed to these changes--which are largely a question of semantics.

If there are no comments, we will assume that this revised Staff Study ["Intelligence Decorations", dated 23 Aug 1955] is approved. It is so ordered.

25X1A9A [] It will go to the Director, then, from this Council?

MR. REYNOLDS: It goes to the Director from the Council.

The next and principal item, item 4, is the legislative program, and Mr. Houston, the General Counsel, will present that whole problem.

MR. HOUSTON: I will assume everybody at the table has at least glanced through this. I don't know if you have all tried to read it analytically.

Actually, since this was published we have made some revisions of our own. We will probably continue to revise until the thing is actual law, because statutory drafting is a curious thing--you never say exactly what you mean, at least the words don't seem to mean that, they mean something different.

How do you want to handle it, Harry? Just go through it section by section?

MR. REYNOLDS: If you please, Sir. That is the best way, I think.

MR. HOUSTON: I think Section 1 is noncontentious. It has to

~~CONFIDENTIAL~~

SECRET

do with striking out the limitation - "territories and possessions" - so we can use our travel allowances authorities in such places as [] and others, and can transfer automobiles and things which we have been bothered with in the past.

25X1A6A
25X1A6A

Incidentally, just for the information of this group, this amendment and a couple of others will also require amendments under Executive Order 10100.

MR. SAUNDERS: Larry, do you expect to have any adverse reaction to this by the Bureau of the Budget?

MR. HOUSTON: Quite possibly, but I think we have some justification on individual cases.

MR. SAUNDERS: I am all in favor of the proposed amendment but I can see now the Bureau of the Budget and the Committee are going to be reluctant to give one agency this privilege and not the rest of the Government.

MR. KIRKPATRICK: I'd like to recommend that the Council adopt as a policy, regardless of whether we anticipate favorable or unfavorable reaction from the Congress, that we present exactly what we need.

MR. SAUNDERS: Oh, yes, I am in favor of that, but I want to put everybody on notice we will have difficulty with this, because really we had it in our first proposal for legislation and it was taken out.

MR. HOUSTON: Yes, I think this Council ought to be aware of the difficulties.

25X1A9A [] The Civil Service Commission has a Government-wide survey underway on allowances for territories and possessions. So this particular provision might be held up until that survey is completed.

MR. KIRKPATRICK: Once again I'd like to say I don't think we ought to stand by for any surveys or anything else, because of the [experience to date with the] Kaplan Committee and the DuFlon Committee, and the rest. We have been waiting for a couple of years now.

MR. HOUSTON: We have the present problem so we have a perfect right.

Section 2 is pretty obvious. It's so that we could pay for the transportation of children back to this country for education in

SECRET

SECRET

American educational institutions.

25X1A9A [] What about the use of the word "dependent" versus the word "children"?

MR. HOUSTON: "Children" is not commonly used, whereas "dependent" is a perfectly well understood statutory phrase.

25X1A9A []: Well, do we want something--can a mother-in-law, for example, go to school?

MR. KIRKPATRICK: In fact, the law says we don't necessarily have to pay it.

MR. HOUSTON: We want this to be wide enough so we can limit it, and we will limit it so that it won't be ridiculous.

MR. WARNER: This is a verbatim extract from the Foreign Service Act of 1955. So we simply adopted it. It has precedent and is on the books.

25X1A9A [] This would make it permissive for dependents who are not minors to be transported back to this country for education.

MR. HOUSTON: That is correct.

Section 3 we have reworded--

MR. PFORZHEIMER: It's almost correct, except for the addition of "continental" before "United States."

MR. HOUSTON: The original draft, as analyzed, is not quite what we wanted.

MR. PFORZHEIMER: "Continental" in the middle of it. We are putting "continental" everywhere in the Act.

MR. HOUSTON: P.L. 110 defines "continental", so we are using it as defined. This is the home leave travel authority and we felt that it should apply not only to private citizens but also to those aliens who are in this country awaiting their citizenship. So we reworded that to include aliens who are picked up in this country.

MR. KENT: Were they excluded before?

MR. HOUSTON: The Foreign Service Act says "citizen", so they were excluded by inference.

MR. PFORZHEIMER: People who were permanently barred under the present statute were Americans who were living abroad when you picked

SECRET

them up. If you picked up the American representative in Europe of a big company, and you picked him up over there, the old statute meant that you could never bring him back on home leave.

MR. HOUSTON: This would permit you to do it to everyone--any alien who is a resident of this country.

25X1A9A [] What about invitational orders for dependents? Any problem there? This covers only officers and employees, but the dependents accompany the officer or employee.

MR. WARNER: That is covered in Section 5(a)(1) of P.L. 110, where you take care of dependents accompanying employees on home leave--in the existing statute.

MR. HOUSTON: Any comments on that one?

25X1A9A [] I would like to ask a question about that one, Larry. Does this granting of home leave involve the paying of transportation to the point of leave and return?

MR. HOUSTON: Yes, to the place where they take the leave.

MR. WARNER: The residence of record.

25X1A9A [] If they live in Pittsburg and they go to Pittsburg. I assume if a person had one day of accumulated leave when he got back and got 29 days LWOP--would you pay his way to Pittsburg and back?

MR. HOUSTON: They will accrue separate leave for home leave purposes [Section 4], which they cannot use overseas. We don't see anyone being ordered back under this provision who won't have his home leave accrual to cover it. That would be about three weeks a year, so it would be about six weeks before he could be ordered home. So I don't think you would get the LWOP with it.

We can order them home now. We have the travel authority.

25X1A9A [] : But you can't pay their home leave unless they have 30 days' accumulated leave.

MR. WARNER: That is being stricken at this point. It is in the law now, that they must have 30 days of home leave. That is being stricken.

MR. HOUSTON: This is merely adopting existing provisions of the Act of October 30, 1951, and as it may be amended hereafter. Now

SECRET

this does place a limitation on the accrual of annual leave overseas similar to that put on the Foreign Service, while granting the additional accrual of home leave for home leave purposes only. In other words, the civilian employees of other departments can accrue more annual leave-- up to 90 days. This would limit the accrual of annual leave to 60 days, but we will provide for accrual of home leave solely for home leave purposes. We feel we will have to ride within that limitation of 60 to 90.

25X1A9A

If this went through only the Foreign Service and CIA would have the right to accrue this home leave, isn't that correct? And therefore both of them are on a reduced accrual of normal leave while overseas from a 90-day back to a 60-day ceiling.

MR. HOUSTON: That is correct.

MR. PFORZHEIMER: There is a bill pending which would make it government-wide.

MR. HOUSTON: I might say, in this connection, there are probably bills pending which cover almost all of these, government-wide. However, some are not completely satisfactory, and we cannot tell when they will move, so in this section we feel we should go ahead and present them because these are urgent to our needs and existing conditions. On some later things we take a slightly different view.

Section 5 is the pay for travel for the members of their families--is the new part of this. I believe all of you are familiar with the problem we have had of wives becoming desperately ill, and children, and heretofore we have not had the authority to--

25X1A9A

Is there a specific reason for using "member of his family" rather than "dependent"?

MR. HOUSTON: We have gone around and around on this. Actually, by regulation they mean the same thing, but by history they have come up in different ways in different Acts, and where we have taken verbatim from another Act which is on the record we have used the wording they have had there. We are perfectly willing to go through the whole thing and make it uniform, if you want it that way. It just didn't seem worth it when quoting from actual sections on the record.

25X1A9A

May I ask about the use of the word "full time"

SECRET

SECRET

before officers and employees?

MR. PFORZHEIMER: That was inserted by the House Committee when the original Act of 1949 was passed, Rud. They didn't want every Tom, Dick and Harry to get the benefits of all these things. It was they who insisted on the use of "full time", so I don't think we can quarrel with them on that.

DR. TIETJEN: Harry, the words "hospital or clinic" appear here several times. Experience-wise the criteria for the need for travel is an illness which requires hospitalization, but it may be complicated by the interpretation of the term "hospital or clinic." I would like to substitute instead of "hospital or clinic" the term "suitable medical facility." In certain parts of the world, for example, an employee may well have an illness which requires hospitalization but there may not be even available, reasonably, a hospital or clinic, so that he may travel to something which isn't, by our definition, a hospital. He may go to a doctor's infirmary or doctor's office and may still remain in an ambulatory status while he is in this condition because of the absence of the thing. So my feeling is that "hospital or clinic" is a too limiting term. Actually, what we need instead is "suitable medical facility."

MR. HOUSTON: Let me ask one question. You say "requiring hospitalization" is all right?

DR. TIETJEN: Yes, that is the basic criteria.

MR. HOUSTON: That is not too limiting? You wouldn't want to substitute "requiring medical treatment?"

DR. TIETJEN: No, I think "hospitalization" is appropriate, but I think the term "hospital or clinic" is too limiting.

MR. HOUSTON: To the nearest clinic where suitable facilities exist. This is not speculative? This is based on experience, - so you could give us a justification?

DR. TIETJEN: Yes.

MR. PFORZHEIMER: "Medical facility" would cover any normal criteria? Or "suitable facility"?

DR. TIETJEN: A "suitable facility" has to be an in-patient service. So "medical facility" is the more appropriate term.

SECRET

25X1A9A

[]: Is that true in the 10th line, also?

DR. TIETJEN: Yes.

MR. PFORZHEIMER: Wherever "hospital or clinic" appears.

MR. KENT: Supposing an infant becomes ill with some disease, is that an illness directly related to the duties or duty station of the officer? Are you going to be able to take care of people that have nothing to do with it except that they are living with the officer?

MR. WARNER: You are in the next Section, I believe, Sherman.

MR. HOUSTON: Section 5 is the travel authority. The travel authority is not limited to any relation to duty. The treatment authority is related to conditions of duty.

MR. PFORZHEIMER: I think it might clear Sherman's idea on that to point out that to give you the travel authority is based on the problem of the fact that this Agency has put an employee in a place where there isn't any form of facility such as we could get here. Therefore, they pick up the obligation, without limitation as to children or wife, to get them to a place where they could normally be treated.

MR. HOUSTON: So on the next one, Section 6, for payment of the actual expenses of treatment, would you say the same comment would apply there? [Indicating Dr. Tietjen]

DR. TIETJEN: Yes, and I have an additional comment or question on this one. I think "medical facility" is a better substitution for "hospital or clinic." I want to direct your attention, in paragraph (i) to the term "in the line of duty." This, then, applies by way of inclusion to an officer or full time employee of the Agency. In paragraph (ii) a member of the family may receive payment for the cost of treatment of illness or injury requiring hospitalization, not related to "line of duty" actually. It's where such illness or injury occurs through circumstances directly related to the duties or duty station. This, while we may mean the same thing in terms of either adjudication or interpretation of this, it could raise confusion. It could allow for a family, if we use the term "line of duty" in its strictest sense, to have greater benefits or privileges under this Section than the employee.

MR. HOUSTON: I believe that by the definition which has been

SECRET

achieved, of "line of duty" at an overseas station, that there would not be a difference--

MR. WARNER: I don't think there could be any broader coverage than the "line of duty" as presently interpreted.

DR. TIETJEN: Then my recommendation is that the term "line of duty" be deleted.

25X1A9A

[]: Our suggestion about that same problem, John, would be to delete "where such illness or injury occurs through circumstances directly related to the duties or duty station of such officer or employee."

MR. KIRKPATRICK: I don't think you are going to get either through Congress, are you? Congress tends to limit medical benefits to dependents. They are even talking of eliminating that from the Armed Services. I think if we are to have any hope of getting these benefits, we have to relate them to our work. And I think these are very broad-- I mean, if you fall down the stairs in your house, why it's line of duty as far as the employee is concerned.

25X1A9A

[] But not for the dependent.
Let's supposing there is a kidnapping where a man and wife are kidnapped when they are Sunday-afternoon-driving out to the golf course. On line of duty the man would be compensated but the wife would not, because you could not relate that, under this, to duty status.

MR. HOUSTON: Oh, yes, that would be. But if she just twisted her ankle on the golf course I don't think she would be covered.

MR. KIRKPATRICK: What if she twisted her ankle while getting breakfast?

MR. WARNER: This gives coverage for polio in Greece or Italy. It won't take care of an appendectomy or the sprained ankle of a dependent.

MR. HOUSTON: Because polio is a condition you meet in those places and has to do with the duty station.

MR. KIRKPATRICK: Do you have a precedent on which you are basing this language?

MR. WARNER: There is no precedent.

SECRET

25X1A9A [] Would this take care of an automobile accident in which both were injured? The husband would be covered and the wife not covered?

MR. WARNER: In the absence of special circumstances that is correct, Rud.

MR. HOUSTON: This is going further than anyone else has gone. And, again, we are taking cognizance of what Kirk mentioned, that the whole trend of Congress has been to limit this. In fact, the State Department has been thrown out two or three times on somewhat similar requests.

MR. PFORZHEIMER: We are hoping we can come up with so many cases showing the pertinence of this thing--where we sent an employee into an area--I think we have an acid-throwing case where the wife got hit. Well, this arises because he is a CIA man, an American target at a specific place on a duty status. It's that type of situation only that we can get away with covering, where you send somebody to an area where there is a high incidence of a particular type of disease, such as polio in the Far East, or one of these diseases where you normally wouldn't come up against it except for duty. It's that type of situation only. We can't cover the normal things.

25X1A9A [] It's going to be a rough one to administer.

25X1A6A How about []

DR. TIETJEN: But if the term "line of duty" does mean, as it has, that it is synonymous with an overseas assignment, I think it's superfluous to have it in paragraph (i), and I think by removing it from paragraph (i) we can more easily clarify paragraph (ii).

MR. HOUSTON: If we thought it was feasible to leave out those words I might go along with you, but I think the whole trend of legislative action has been to insist that it has been at least related to duty. It is only through interpretation that we have been able to broaden it. As a matter of fact, I am not sure Congress would be too sympathetic to our interpretation.

MR. PFORZHEIMER: You have to hang your hat on if you have any chance to get this.

MR. WARNER: John [Tietjen], wherein have the words "line of

SECRET

SECRET

duty" been restrictive insofar as line of duty has been concerned?

DR. TIETJEN: With our interpretation of the term "line of duty" there hasn't been a restriction that I can see. But now that we introduce here a thought of limitation in regards paragraph (ii) to a dependent, and we relate that to this duty officer, and we say he is line of duty, and we say the employee is merely related to the duties or duty station, the strictest interpretation of this would mean that there is more adjudication in terms of the employee than in terms of the dependent.

MR. WARNER: This doesn't change the existing situation as far as employees are concerned. They are left in the same situation they are in today, in our opinion.

DR. TIETJEN: But is the logical conclusion--the term "line of duty" by an employee is superfluous unless we need that term to maintain our legislative balance.

MR. PFORZHEIMER: You have it now, and if you strike it out they will raise so many questions, and regardless of why you struck it out, they will think you're putting something over. You spend so much time explaining why you took it out.

MR. HOUSTON: In the first place, it would bring up the whole question of our present interpretation, and we might get a stricter interpretation than we have now.

DR. TIETJEN: Well, don't you think that the Bureau of the Budget or the Congress might raise the question that I am raising now? They might say: here the employee has to have a line of duty clause which describes his eligibility; whereas in the next breath you people are asking for authority to pay just illness or injury related to duty or duty station. Wouldn't it look to the person judging this and not knowing our background and how we interpret that, through this, as proposed, there might be more leniency for the dependent?

MR. HOUSTON: I think our answer to that would be that from our experience there are more injuries and illnesses which are related to the duties or duty station, and give examples that the wife would not be covered in some circumstances where the husband would be.

DR. TIETJEN: Well, I don't want to hold up this consideration--

SECRET

SECRET

MR. HOUSTON: I think your point is good, but--

DR. TIETJEN: But I anticipate some difficulty when this is presented. I'll be glad to defer and not hold us up any further here, and we can talk later about this thing. But if a person who has to adjudicate this and evaluate this, and wonder what this means--and uses in his own mind the term "line of duty" in the popular interpretation, and then reads paragraph (ii) that it is related to duties or duty station, he may well come to the conclusion himself that there is more leniency on behalf of the dependent.

MR. WARNER: I think John has a good point but I would suggest that the Career Council could give us an indication of their belief that the employee should get what he is getting today, and the dependent somewhat less, and leave it to us to work out the wording.

MR. REYNOLDS: I think that would be the spirit of this Council.

MR. KENT: Might I just ask whether the wife of a man say living in who gets amoebic dysentery and nearly dies, is going to get compensation?

MR. HOUSTON: Yes, that would be paid because it is a disease to be gotten at that duty station.

MR. WARNER: Today she does not, of course.

MR. HOUSTON: But there are other things where she might not get paid and he would.

MR. REYNOLDS: Does any member of the Council have any objection to stating that is the general tone of our feeling on this matter, and requesting the General Counsel to so phrase it?

MR. HOUSTON: We will reconsider the phrasing and see if we can improve on it, working with Dr. Tietjen.

Section 7 is the physical examination and inoculation and vaccination of dependents. Heretofore we have technically not had the authority to pay for it.

MR. PFORZHEIMER: The Council should note this authority has just been extended to the Department of State.

MR. HOUSTON: It is presently on the books for the Foreign Service.

Section 8 - we have had many cases where full time

SECRET

SECRET

employees have gone over on temporary duty and encountered the same difficulties the permanently stationed people had, and we feel the medical benefits should go to them, too. We don't see that the other benefits for permanent people apply to temporary duty personnel. It's the allowances, and such like, that go to permanent residents.

Section 9 is a rehash of the section where we had adopted or incorporated by reference certain authorities of the Foreign Service. Those provisions in the Foreign Service have been restated in their new Act, and we felt the thing to do was to spell out the allowances we were contemplating, specifically, and not depend on incorporating them by reference in the draft.

Any special comment on that?

MR. PFORZHEIMER: Yes, on paragraph (C).

MR. HOUSTON: Yes. Incidentally, you will notice we have changed the wording in our original draft on "assignment abroad." We are going to change that to "assignment outside the continental United States."

The overseas allowances legislation which has been drafted has two provisions which we have not included, on the basis that we think they would have little chance of going through, and that our experience has not so far given us the justification for going ahead on our own. One provides for temporary lodging allowance for one month at the conclusion of the tour of duty. I'd like the comments from the Council on that, if they feel there is an important enough problem so even though we don't believe it has much chance of success we should try for it.

MR. PFORZHEIMER: It is going to be submitted in the Overseas Allowances Act when it goes to Congress, presumably. It's in the draft now.

25X1A9A

MR. REYNOLDS: [REDACTED], anything on that?

25X1A9A

[REDACTED] I don't quite get what it is.

MR. HOUSTON: Presumably people when cleaning up the end of their tour should have additional expenses, and have to get settled. We haven't had enough of a problem on that to create a real justification.

MR. LLOYD: That is not the Act you are quoting here?

MR. HOUSTON: This is purely a proposal in the Overseas Allowances Act, which is in the draft stage.

SECRET

SECRET

25X1A9A [] Which would be Government-wide if it were adopted.

MR. HOUSTON: Our philosophy is that if a thing has not a complete justification and it is controversial it would tend to impair our whole approach, so anything we put in we ought to be able to back up to the hilt with a good story.

25X1A9A [] We had that point brought up quite often-- primarily, however, before the [] came out. We found people were suddenly caught short. But that was pretty well taken care of.

25X1

MR. REYNOLDS: Any other feelings on that?

MR. KIRKPATRICK: The position seems to be we don't require it.

MR. SAUNDERS: Say that the over-all Government legislation does include this in their legislation but ours doesn't, does it mean we could adopt it?

MR. HOUSTON: It would be Government-wide.

MR. REYNOLDS: Then it is the feeling of the Council this is a controversial point and should not be included.

MR. HOUSTON: We are not hurting enough from it now.

The next one is authority for payment or reimbursements for unusual alterations to residences on establishing residence overseas.

MR. PFORZHEIMER: This is also one in the Overseas Allowances Act, but it seems to me it would be highly controversial.

MR. REYNOLDS: Has the Council the same feeling on this one as on the other one?

MR. HOUSTON: Obviously we don't need this thing for a special security sort of thing.

MR. REYNOLDS: The Council has expressed by various motions of hands and heads that they do not wish to include this in this package, in addition to the other one.

25X1A9A [] Isn't there another thing in the Overseas Allowances Act--I am referring to the separation allowance while in the same country.

MR. WARNER: Yes, we have a notation on that, on "C" there-- the last line of "C".

SECRET

MR. HOUSTON: Elsewhere than in the country of assignment--we are going to change that to "post."

25X1A9A

[] On this unusual expenditures thing, I don't know the practices well enough, but where you might have quarters that had the bare minimum you could expect someone to live in, would that be an "unusual expenditure" to get those in shape, putting in sanitary facilities and things of that sort? I was thinking of these really backward places.

MR. HOUSTON: Like in []

25X1A6A

25X1A9A

[] I saw in the paper last night the Ambassador had the best place in town but he had an outside pump.

MR. HOUSTON: We would do whatever was required to help the employees, since we are furnishing the quarters. Yes, that would take care of it. I think that was the one Rud just raised, on page 9, paragraph "C." It is presently worded, under separation allowance, "expense of maintaining his wife and minor children elsewhere than in the country of his assignment." Does the Council believe it to be desirable to change the word "country" to "post"?

MR. REYNOLDS: Yes, "post."

MR. HOUSTON: We will try that.

MR. PFORZHEIMER: The precedent, I think, is in the Overseas

Allowances Act.

25X1A9A

[] In the paragraph preceding it, it's in there.

MR. HOUSTON: We would be changing what the Overseas Allowances Act is proposing but does not yet have.

Y Section 10 is for the payment of a death gratuity of \$1,000 to specified people. The purpose of this really is to avoid hardship on individuals when the breadwinner dies and there are delays in settling the estate and getting ready cash. The only precedent we know of is for the military services, for slightly different reasons. We believe this might become controversial, and we would like the feeling of the Council as to whether there is enough practical necessity to proceed with this one.

MR. PFORZHEIMER: Could I make a comment on that, if the Chairman would permit?

SECRET

MR. REYNOLDS: Yes, by all means.

MR. PFORZHEIMER: When the Career Council, a year or so ago, approved the principles which bring us here, they included a death gratuity provision for \$1,000. Since that time a select committee of the House has spent almost two years in exhaustive studies of survivor benefits and similar things for the uniformed services. This Act, H.R. 7089, has now passed the House, and in this Act they have included a death gratuity somewhat different from the one which was approved by the Council approximately a year ago. And I think we would like the thought of the Council as to whether they would like to change their position from that of a year ago when they approved the \$1,000 as a death gratuity. The Bill which has now passed the House and is pending in the Senate provides for six months' basic pay at the rate of pay which the deceased was getting when he died, but not less than \$800 nor more than \$3,000. They put that flexibility in there. This has passed the House so it would serve, it would seem to me, as a guide for a larger figure than \$1,000, although in a few cases it would be down to \$800. This is for the uniformed services only. And, in addition, the Committee felt they would leave out of what is now the present statute for the military, the necessity for the death to have occurred in line of duty or the limitations on paying the death gratuity where it came about from disease or misconduct. All of that they have eliminated because they have felt the key thing is to get this money into the hands of the survivor at once, without losing the time necessary to determine whether it is line of duty or not, and if in a few cases it slips through they figure that the benefit is such that it outweighs the loss.

So, with that precedent in mind, which has now passed the House, I would like to suggest that the Council consider revising the text and principle which they established at \$1,000 a year or so ago so we can draft something more closely proximate to the Bill that has now passed the House.

MR. KIRKPATRICK: Why doesn't the Council authorize the General Counsel to use whatever he thinks would be most likely to pass in the Congress?

SECRET

SECRET

MR. HOUSTON: Let me say, in that context, that there we have the old problem of trying to relate civilian and military benefits, and you can get in quite a hassel up there by trying to put in a specific provision for the military when someone will come back and say, "Well, you get higher pay, you get different things the military doesn't, and why do you think you are entitled to the same thing we are giving the military for a specific purpose?" That does not say we shouldn't go for it. It just raises the question.

MR. PFORZHEIMER: In that context, the military does not get the benefit of the new Eisenhower Insurance that we as civil servants get, and while it does not take care of the immediate problem of the death of a breadwinner, nevertheless the military doesn't get that benefit, although they get the \$10,000--

MR. HOUSTON: I still think it is open for the Council to decide whether to stick to the \$1,000.

MR. KIRKPATRICK: Actually, it's going to cost the Government more with the Bill that has passed the House.

MR. HOUSTON: For the military.

MR. KIRKPATRICK: If we put it in it will cost the Government more for this Agency.

MR. KENT: How many overseas personnel do we have that work for \$1600 a year?

25X1A9A Everybody would be above \$800, and the great majority well over \$1,000.

MR. PFORZHEIMER: We are losing about 18 people a year, by your Personnel figures.

MR. KIRKPATRICK: Well, in your Legislative Task Force study you have the statistics on the number of deaths and the number of months it took to settle the estates, which is pretty conclusive evidence that you need this in some form.

25X1A9A What about your survivor benefits in the military where a "dependent" is one who is dependent upon the officer for a living. This would be a great windfall for brothers and sisters that weren't involved at all in getting back from overseas, if there was no wife or children.

SECRET

SECRET

MR. PFORZHEIMER: Well, this isn't limited to overseas.

25X1A9A

[] But our idea when we talked before was to have some money immediately available for the wife or whoever had to attend to the burial, and that sort of thing.

MR. PFORZHEIMER: Well, we take them generally in the order we think we will find them, that is, spouse, children, dependents, and then if there aren't any the burden would fall on the brothers and sisters.

25X1A9A

M [] The same order that the Council approved a year ago.

MR. REYNOLDS: You have heard the statement of the General Counsel, gentlemen. What is your pleasure on requesting them to either go ahead with this request or to drop it, or change the terms?

I would like to point out to you, Kent, that as the average age of the employees of the Agency increases, that figure increases, too.

MR. LLOYD: As I understand it, your inclination is to stick to the flat \$1,000?

MR. HOUSTON: I think for our purposes we ought to make a little better case on it.

MR. KIRKPATRICK: I move we go after the gratuity and stick to the \$1,000.

MR. REYNOLDS: It has been moved and seconded that we stick to the gratuity and go after the \$1,000. Those in favor, please say "aye." Opposed? Motion carried.

MR. HOUSTON: Section 11 - to increase the number of retired officers who would otherwise be barred from appointment to civilian positions in this Agency, from 15 to a number as yet not determined. I think Mr. Reynolds could probably furnish a figure on what we might need, but the problem is complicated by the position of retired officers in

25X1

SECRET

for appointment under this exception. But we have left the figure out, and in increasing it it could go anywhere from 16 on up.

MR. REYNOLDS: From the viewpoint of a determination, I think the Director should make the decision as to the exact number.

MR. KIRKPATRICK: He already has. In replying to the Clark Commission's proposal on this same subject the Director stated to the White House in his written reply that the Agency would welcome expanding this number by any figure in the neighborhood of between 25 and 50. So you can take a choice.

MR. HOUSTON: As a proposal on how to proceed, how about changing it from 15 to 50?

MR. KIRKPATRICK: Fine. I think you would get that chopped down, quite frankly.

MR. HOUSTON: The only thing I believe they would be interested

25X1

MR. REYNOLDS: We have two sides to this thing. We were first accused of being an "Old Soldiers' Home", and then we were told to take on more. That actually existed, as we know. The present thinking that is transmitted to me as Director of Personnel is that we should put more emphasis on promotion from within, rather than taking people at upper levels and putting them into what is comparable to a grade GS-15 job, that we should bring along our 13's and 14's. When we bring in a retired officer we cannot bring him in, except under rare conditions, at less than a GS-15. And the other direction which has been given to me by General Cabell is that we must have a time limit on this Public Law 53 group; in other words, in terms of 3 years and then consider them for renewal of their terms.

I think this requires a little more careful study and some positive statements from the Director as to just what he wants to do.

MR. HOUSTON: But I would think that would be for internal control.

MR. KIRKPATRICK: The White House indicates what they believe are our views. But 50 would cover them.

MR. HOUSTON: I have one case where they have been looking for

SECRET

SECRET

the Courts as an improper collection. So it's the individuals we are trying to get complete coverage for.

MR. KIRKPATRICK: Of course, if we put it in the law and we go up to an abnormally high figure, it is going to cause considerable public question as to why did you suddenly jump from 50 to 150?

25X1A9A

[] Do you know about the legislation being prepared by the Air Force to make it permissible for a retired officer to draw both his retired pay--his annuity--and Government pay?--which is now prohibitive.

25X1A9A

MR. KIRKPATRICK: Isn't it true, [] that since the new system of retirement in the military services there is a very strong move in the Pentagon to get the Government to permit employment--

25X1A9A

[] They said they couldn't get in the last Congress.

MR. REYNOLDS: I understand there is an opening wedge for people like myself--the retired reserve officers.

25X1A9A

[] The theory is that your military retired pay you have earned; then if you work for a Government agency and get pay there, that is also earned.

MR. HOUSTON: I think they are going to run into a terrible fight. The whole tradition has been against it.

MR. KIRKPATRICK: On this why don't we leave the figure blank until we find out from the White House how many retired officers we have.

MR. PFORZHEIMER: If we can get some guidance--because when we go to defend this thing--

MR. HOUSTON: When we go up to the Hill we ought to know about how many we have.

MR. KENT: You can't divide these officers into two categories and still have this thing a public law? I mean, officers on normal duty in Washington - an "x" number of those, and "y" of another category?

MR. HOUSTON: We can't explain it to everybody but we have to have it as a law to protect the individuals. The justifying we will have to do as a classified justification.

Section 12 is a technical amendment to allow certain

SECRET

SECRET

advance payments presently barred by Section 3648 of the Revised Statutes under the circumstances set forth. The rent one is an old favorite you are all familiar with. There is a third one which we have not put in here, which is provided in the Overseas Allowances Act draft and is presently in Defense, which is advances for education allowances. We have not heard that there is any real problem there for us, and we have not provided for advances for education.

MR. SAUNDERS: Don't you think we should, Larry?

MR. HOUSTON: We have not heard the requirement for it yet.

MR. SAUNDERS: I mean, we're doing it.

MR. HOUSTON: We will do it if the Council feels that would be desirable.

25X1A9A

[REDACTED]

What would those consist of?

MR. HOUSTON: Harry, how high do some of our education allowances go per year now?

MR. REYNOLDS: The last figures I saw ran around an average of \$350 per head.

MR. HOUSTON: And some of those are payable by the individual.

MR. REYNOLDS: That is an average. I haven't anything specific on it, because we fought each one out on its merits.

MR. HOUSTON: There are complaints about being reimbursed.

MR. KIRKPATRICK: When you put in advances for education for dependents you probably lose your grants as well as--

MR. PFORZHEIMER: I would be awfully wary of it.

25X1A9A

[REDACTED]

In special cases can't the Welfare Board take care of it, or something of that sort, and then when it falls due wipe out that obligation?

MR. REYNOLDS: It would run into a lot of money.

MR. PFORZHEIMER: Where there were several children it would be a hardship.

MR. KIRKPATRICK: How many times have we run into the problem? I haven't run into it yet.

25X1A9A

[REDACTED]

I have a lot of people overseas and I haven't heard it yet. They want an allowance to pay the difference between

SECRET

SECRET

what they would have to pay here [REDACTED]

25X1

MR. KIRKPATRICK: That is in another section.

25X1A9A

[REDACTED] But I haven't heard anybody yelling for an advance because he got over there in September when the schools started. We try to take care of that when they go over.

MR. SAUNDERS: I think we are doing it right now.

25X1A9A

[REDACTED] Probably.

MR. HOUSTON: You couldn't do it [REDACTED]

25X1

MR. SAUNDERS: We are doing it.

MR. KIRKPATRICK: Making advances?

MR. SAUNDERS: Sure.

MR. LLOYD: You mean before the expenses are incurred? What are you doing, Ed?

25X1

[REDACTED] As I understand it, a man makes an estimate of what he needs advanced to get him to his overseas station and settled, and it's more than just the travel cost that is involved.

MR. SAUNDERS: We are talking strictly about education allowances where they have to pay tuition--advance the money so they can pay the tuition.

MR. PFORZHEIMER: Are we doing it now, Ed?

MR. SAUNDERS: Yes. Are we making a decision here that we are not going to ask for legislation to do it?

MR. LLOYD: I would suggest that we don't.

MR. KIRKPATRICK: I think we would be very foolish.

MR. REYNOLDS: Yes, Ed, that is the answer: we are not going to ask for it.

MR. HOUSTON: Section 13 is purely a technical amendment which I don't think is of interest to anyone here. Actually we don't need that in here anymore.

MR. WARNER: Probably we don't.

MR. HOUSTON: Section 13 - we will work that one out as a technical point.

Section 14 came out of a proposal that was up last year about statutory provisions for the chief officers of the Agency, and

SECRET

SECRET

we believe this is drafted in accordance with the determinations made at that time.

MR. REYNOLDS: You better speak about this, Rud, because this was discussed at the Task Force meeting yesterday, and I was at another meeting and Rud was chairing this meeting. So you better state the opinions expressed.

25X1A9A

[] Well, they are more questions than opinions. Does the establishment of these positions by legislation imply appointment by the President, by and with the advice and consent of the Senate?

MR. HOUSTON: Not unless it is so stated.

MR. KENT: Does the Director not have the right right now to appoint 20 Deputy Directors?

MR. HOUSTON: He could appoint 20 and he could give whatever salaries he sees fit. This is a policy problem, not a legal one.

MR. KENT: You think people are going to think the Director of Central Intelligence is a better guy because he is limiting himself to six by statute?

MR. HOUSTON: It is just to line this Agency up with the general conformation of all the departments.

MR. KIRKPATRICK: We are better off the way we are today. The Director should have full cognizance of that--

MR. PFORZHEIMER: The figure was six that he gave you, Harry?

MR. REYNOLDS: I say he has given it to me--when I had my conversation with him he said, "No, I don't want to do that." And my answer to him was that it was not him as A. W. Dulles, it was the Director of Central Intelligence and his assistants, and he said, "All right, I'll go along with that."

MR. HOUSTON: He certainly should reconsider this whole thing before he wants to tie himself down. This, I think, is perfectly feasible.

MR. REYNOLDS: The only thing he really went to town on was when these last bills came out, and as I understand it he was put in "Category 2", and the Deputy Director in "Category 3."

25X1A9A

[] The Executive Pay Act.

SECRET

SECRET

MR. REYNOLDS: But these other six had nothing to do with that.

MR. KIRKPATRICK: Because there are no others.

MR. REYNOLDS: So this was under his own control, and my understanding of this--and I think there may be others that understood it in the same way, and should be clarified by you, Larry [Houston]--is that he wanted to do this in order to have it on the books.

MR. KIRKPATRICK: The initiative came from the Career Service Board rather than the Director, about two years ago.

MR. HOUSTON: I would say this was submitted, then, for his information and reconsideration.

MR. KIRKPATRICK: Actually, we would have a better Bill, although one not so sure of passage, if it read: The Director of Central Intelligence is authorized to appoint such Deputy Directors as he may need, and each shall receive compensation"--that would give complete flexibility, but were I sitting in the Senate I would not pass it.

MR. PFORZHEIMER: I think also we have to consider if this is approved in principle the question would come up whether to submit it to the White House for policy guidance.

MR. KIRKPATRICK: If you start specifying a particular assignment for your Deputy Directors, then you have a security problem. And if you start doing that the Congress will say, "by and with the consent of the Senate"--and then the ball game is over.

MR. KENT: Mr. Chairman, is it the Council's view that the Director is better off with this document or this substantive section than at the present moment?

MR. REYNOLDS: As a member of this Council, I don't think that he is. Do you think so, [redacted]

[redacted] This is the first I ever heard of it, but I don't see any reason for him to tie himself up and get into a hassel with the Senate.

MR. KIRKPATRICK: This is an open invitation to them to say, "We want to confirm your Deputy Directors."

MR. PFORZHEIMER: In the justification, Kirk, we point out that from a legal standpoint we feel the Director can do this without legislation,

SECRET

but there is a feeling he may want to get some policy guidance, at least from the Bureau of the Budget, and this is submitted as a vehicle to get that guidance. I think in the end it will probably not be submitted as legislation.

MR. KIRKPATRICK: Why not eliminate it from the legislation-- just submit it to the Director in a form so that he can sign his name to it, and leave this out. I think it's very foolish for him to tie himself up. The military services got themselves into this bind. They now can have so many Major Generals, Lieutenant Generals, and full Generals; and if we start this we may end up the way the Atomic Energy Commission did, for example.

MR. PFORZHEIMER: We pointed out in our justification it was merely a vehicle to get policy guidance.

MR. HOUSTON: Eliminate it from the legislative program?

MR. KIRKPATRICK: Yes, and say he may wish to get policy guidance from the White House, because this is the Clark Commission recommendation, too. They would take the three existing formal Deputy Directors and make them subject to appointment by the President, by and with the consent of the Congress. Well, that shoots your security all to pieces. You send a DD/P representative up there and you have to tell the Congress and the world what a great clandestine operator he is.

MR. KENT: And what the job is.

MR. REYNOLDS: If there is therefore no dissenting opinion on the part of the Council, Mr. Kirkpatrick's statement in this will hold as the policy of the Council.

MR. HOUSTON: At this point I would like to raise a question on a provision which is not in here--which would be a permanent statute--on missing persons. The present Missing Persons Act is contained in legislation that has been continued from year to year, only. The last one was put in by Defense--

MR. KENT: What are these "missing persons"?

MR. HOUSTON: People missing, captured--

Beleaguered--

MR. HOUSTON: --in other words, you don't know where they are.

25X1A9A

SECRET

The presumption is in favor of their continued existence, so you are authorized to continue their pay and allowances.

25X1A9A [] Then the head of the agency has the responsibility of making the determination of death, at the appropriate time.

MR. KIRKPATRICK: Why shouldn't it be in our Bill?

MR. HOUSTON: We feel there is definitely going to be permanent legislation on this sometime. Defense simply has to have it. And we don't particularly want to get into a discussion of individual cases.

25X1A9A [] The present Missing Persons legislation expires July 1, 1956, so it has about another nine months to run before permanent legislation is enacted.

MR. KIRKPATRICK: What makes you think it will be enacted?

25X1A9A [] We don't know. We would be stronger by supporting the Department of Defense.

MR. KIRKPATRICK: On the contrary, I think we would be stronger by going after our own.

MR. PFORZHEIMER: The Bureau of the Budget has now cleared it, for the first time--they cleared it back to the Department of Defense for the introduction.

25X1A9A [] We received a copy of the Bill just yesterday.

MR. KIRKPATRICK: But the only argument I have heard against going after it for ourselves is the security argument, which you implied, Larry, and I would assume in all this legislation that the hearings before the Committee are going to have to be in executive session because there are security implications in nearly every provision. I would think that a lot of the rest of our Act might actually ride on the Missing Persons legislation, inasmuch as we have some very good cases to cite on this particular provision. And I think we have had our experience now in trying to ride through on retirement legislation, or other legislation, which is discussed at great length, printed in many volumes, and never enacted. Why shouldn't we try to get this Bill through on our own?

MR. HOUSTON: Let's don't say it wasn't enacted, because it was enacted on a year-to-year basis. There is a specific proposal, which we would have to give the nod to, of not specifying the details of why we

SECRET

want it. We would have to give some details.

25X1A9A

[]: Wasn't there a point that testimony on this point would advance our cause on other matters?

MR. KIRKPATRICK: That is right, I think it would, because we can point with pride to certain missing persons.

MR. HOUSTON: We are perfectly willing to put it in.

MR. KIRKPATRICK: It's the type of legislation that I quite frankly think the average Congressman thinks CIA should and does have, because they assume in this type of work people do get to be missing.

MR. PFORZHEIMER: The new Bill is going to be even broader because it covers those people missing and those missing in action, and it would cover both the United States and abroad. It would be a rather lengthy and complicated addition to our own legislation, to cover all of these points. How long would it be? [Indicating Mr. Warner]

MR. WARNER: It would be about 7 pages.

25X1

[] Would it leave the determination as to status of missing in action to the respective heads of departments?

25X1A9A

[] Yes, it still does.

MR. PFORZHEIMER: My personal opinion, Kirk, would be that this is one we could really afford to ride along on, Government-wide--

MR. KIRKPATRICK: I still don't see why.

MR. PFORZHEIMER: It's a long and complicated sort of thing to put in your own Act.

MR. KENT: You have a text, have you not?

MR. PFORZHEIMER: Yes.

MR. KIRKPATRICK: The fact that it is long and complicated shouldn't preclude us from putting it in--including it in our Bill.

MR. HOUSTON: As a practical matter we can put it in, but I think the Bureau of the Budget would probably throw it out.

MR. KIRKPATRICK: I would like to see that done, frankly, because I think this Agency then is in a much stronger position. As a matter of fact, I think that is why we should go for a Bill that puts in everything that we need, and if the Bureau of the Budget or the White House or a committee of Congress knocks it out, at least CIA can say to

SECRET

its people, "We fought for what we think we ought to have."

MR. HOUSTON: The only difference is that all the rest is something that we don't have at the present time that will hurt us, but this is not hurting us at the present time, and the plans are that it never will. All the rest we can justify as something we need at this time, and we don't need this at the present time.

MR. KENT: Isn't this case cognate with the case where you incorporate Foreign Service by reference? Here we are one of the beneficiaries of Defense initiating the Bill. In a way it's being incorporated by reference, because we are beneficiaries of it.

MR. HOUSTON: Just because it applies to all employees, whatever department or agency.

MR. KENT: Suppose it goes on the rocks for a year?

MR. PFORZHEIMER: It just can't, because of the number of people missing.

MR. KENT: It's a queer way to run a railroad.

MR. KIRKPATRICK: I would like to recommend that the Council delegate to the General Counsel's Office the responsibility for either incorporating or not incorporating this.

MR. REYNOLDS: Do you make that in the form of a motion?

MR. KIRKPATRICK: Yes.

MR. REYNOLDS: It has been moved and seconded. Those in favor, please say "aye." Contrary minded? Motion carried.

MR. KIRKPATRICK: How about retirement?

MR. HOUSTON: Retirement is the next section.

25X1A9A

☐ There are four additional points which we will want to make sometime during the course of the afternoon--before or after the retirement problem--four additional, possible benefits.

MR. REYNOLDS: Well, perhaps I will read those and we will get them out of the way. They were discussed by the Task Force. The first one is re-insurance. [Reading]

"Considered desirable to request legislation to guarantee that insurance contracts will not be ineffective due to the application of escape clauses caused by performance of Agency duties if this is not a matter that can be covered by unvouchered funds."

SECRET

SECRET

MR. REYNOLDS (Continuing): The next one that is not covered in your legislative program is the statutory authority for Career Service.

[Reading]

✓ "It is not considered desirable to propose legislation in this area at this time."

MR. KIRKPATRICK: Can I take up point 2, the business of
 ✓ statutory authority for Career Service? I thought that was discussed at about three different Career Service Board meetings, and it was generally considered, and, also, put in our memorandum to the Director, that the Career Service Board did not think this was the wise approach.

X MR. REYNOLDS: That is right. That is what we reaffirmed in this meeting the other day.

25X1A9A

There are three points. One is re-insurance in the event that a person's insurance estate is depreciated drastically in the event of his death when under conditions where he is carrying out Agency orders but his insurance is invalidated by the circumstances surrounding his death.

MR. KENT: You mean he rides in the kind of airplane that is not covered?

25X1A9A

Where the fine print says he is not covered, but he is doing that under Agency orders. Now it is possible this could be handled, by any person who wishes to be covered, by re-insurance--registering his insurance policies with the Agency so that the Agency will know the magnitude of its liability under this situation. But this has come up time after time in the past three or four years.

25X1A9A

Then you mean if the Agency knew that, they wouldn't order him to take the flight?

25X1A9A

They would know the magnitude of the problem.

MR. KIRKPATRICK: What about the legality of that, Larry? The Agency on unvouchered funds could not re-insure.

25X1A9A

Not without legislative approval.

MR. WARNER: The Insurance Task Force considered that very problem.

25X1

That is right. It's still on the table for determination.

SECRET

SECRET

MR. WARNER: I think our conclusions there, aside from the various policy aspects or legal policies, is that we would probably be in serious legal difficulty if we tried to do it, in view of the Federal Employees' Compensation Act, which would simply offset the benefits of that Act against those paid for out of Agency funds. But the Insurance Task Force did consider this very point very carefully and felt the answer was more in the field of securing a better insurance policy, which we have since done. So I think before the Council voted on this it might be well to review those findings of the Insurance Task Force. Maybe they are no longer valid.

MR. KIRKPATRICK: I was just thinking of what the Federal Government position would be if they stated that one agency, such as CIA, could re-insure all of its employees' insurance policies if ordered into dangerous situations. Supposing they broadened that to include the Defense Department? It would be fantastic. The cost would be prohibitive.

MR. PFORZHEIMER: Does anybody know what the present proposals on re-insurance are?

MR. HOUSTON: Is there a re-insurance proposal?

MR. WARNER: That is the Group Health Bill, is it not? I don't know of any.

MR. REYNOLDS: I haven't seen anything on it at all. Our people haven't seen anything.

25X1A9A

[]: These proposals are not staffed out because there has been no time since this matter came up, to work up all the details. They are being called to the attention of the Council.

MR. KIRKPATRICK: I would recommend that re-insurance be staffed up between now and the next meeting to see whether we want to add it. But I am very skeptical as to whether your legislation would get anywhere. I think with your Government insurance policies and the Agency insurance policies, the possibility of getting the Government to say they would re-insure your insurance policies, is negligible.

MR. HOUSTON: There are available to us three policies with almost no exclusions.

25X1A9A

[] And you can get coverage for a particular

SECRET

SECRET

flight []

25X1A5A1

25X1A9A

[] It's not a question of coverage, it's a question of the individual losing something for which he has paid over a long period of time, by reason of Agency orders.

MR. KIRKPATRICK: Maybe the answer, just as a curbstone opinion, is to see if we could work out a system [] so the employee could buy re-insurance. I don't think the Federal Government would ever buy this in a million years. 25X1A5A1

MR. HOUSTON: Then we will not consider it as part of the legislative proposal unless on restaffing and reconsideration we are so informed.

25X1A9A

[]: The next point was compassionate leave. It is perfectly true the Director has the right to establish salaries at any level he wishes to. The situation, I believe, became critical with a

25X1A9A

couple of your boys, []

I'm talking about compassionate leave. Let me start over again. The Agency has the facility and the right to grant advance leave, so it is not so much a question of compassionate leave as it is travel, you might say "compassionate travel" or travel in a compassionate situation where the Agency would not have the right, technically, to order a man back if his father was dying from cancer, etc.

Now, in the case of GS-13, 14 and 15's the Agency does this by calling them back on consultation, but you can't very well call a GS-5 back on consultation, and the minute you look at the cable traffic the cable traffic doesn't hold water--bringing this individual back to this country on emergency leave or for a devised situation. We are doing it, and we are doing it in a sort of limping way, but we have no authority to do it and we could get caught on it. That is the problem.

25X1A9A

[] This would be a terrible one to administer. I have had people make a big claim their mother was dying when all they wanted to do was get away from their station, and then they say their mother is all right. I say, "I don't want you anymore--you have given me a 'snow' job." So then they go to Personnel and get placed in a much better assignment. Remember that girl?--the girl that claimed she was going insane. She comes home and takes some psychiatric treatment, and

SECRET

SECRET

then she says, "I'm all right now. Get me a job here."

MR. REYNOLDS: We took care of that.

25X1A9A [] I think this is a gilded lilly, in my opinion.

25X1A9A [] In the Armed Forces this sort of thing is SOP-- administered by the Red Cross.

25X1A9A [] Yes. Then they get traveled back by MATS. We do the same thing if we are [] in 25X1A6A the few cases where we bring them back. This would be a real rough one.

MR. HOUSTON: How much are we able to do on a space available-Government transportation? That's the way the military handle most of this.

25X1A9A [] That's the way these people come back.

MR. HOUSTON: It's really the travel.

25X1A9A [] The leave is easily taken care of.

25X1A9A [] These are very often emergency situations. There isn't Government transportation in most of the places of the world where we are operating. I grant you it covers a lot of people, but just doesn't handle the situation in an orderly way. We can continue to do it the way we are doing it.

25X1A9A [] You might have a security problem if you had the Red Cross checking into the validity of the illness.

MR. WARNER: I might ask, is there any precedent elsewhere in Government?

25X1A9A [] Just in the Armed Forces.

MR. WARNER: They don't really have the legal authority to travel at Government expense. There is no precedent, that I know of, in law.

MR. REYNOLDS: Well, all right. Suppose that we don't take any further action on any of these.

Do you want to go on to the retirement Bill?

X MR. PFORZHEIMER: There is one other, Mr. Chairman. We have had a recommendation--and there is a possibility this is going to come up, and if it does come up we could clear it right now, briefly--and that is the

SECRET

SECRET

possible need for legislative authority in cases where we have sent people to so-called "emergency areas" and have stored their furniture. This is particularly applicable to the [] which is 25X1C4A an emergency area--to store furniture back here; and now they are being moved to [] where there isn't an emergency situation, so we have to 25X1A6A stop paying for the storage of the furniture. Then they say, "If we had known this we could have brought our furniture over at Government expense and wouldn't have been put to the storage expense." I don't know how much of a case we have here, but if we are going to be faced, in the next few days, with the authority to pay, we ought to get some consideration of the problem. In the new Overseas Allowances Act the storage is not on the basis of "emergency area" but the storage is going to be "for the convenience of the Government", which, if it passes, will cover our situation.

MR. KIRKPATRICK: Is that a serious problem? Are you talking about something of any magnitude now?

25X1A9A [] It affects a sizeable number of people in the
25X1A6A [].

MR. KIRKPATRICK: Aren't you in fact asking Congress to provide money to rectify administrative errors?

25X1A9A [] The Office of Logistics advised me they were coming in with a memo on this point that was raised.

MR. KIRKPATRICK: I would suggest until that is staffed out further, that we put it over until the next meeting.

✓ MR. REYNOLDS: The next item is the retirement problem.

MR. HOUSTON: There are two different situations here. First, the proposals in the Kaplan Bill or Kaplan Study, which is pretty comprehensive and we think a pretty capable review of the situation, and we think the proposals are good. If we want to follow this Bill--and I believe it is the feeling that we should--there is one problem involved in the Social Security, and we would have to have some specific exemption from the procedure requirements of the Social Security, for security reasons. We could not comply with their present or contemplated

SECRET

SECRET

requirements on the procedures.

MR. KIRKPATRICK: That would require legislation?

MR. HOUSTON: That would require exemption through this Bill.

We are handling those requirements through special arrangements, but they are avoiding their laws and regulations to do it, and we think it would be unfair for us to ask them to do it on an Agency-wide basis. So if we are in favor of this Bill we would need a specific exemption on this one point. We think it is a good Bill and that we should encourage it and get our exemption.

MR. REYNOLDS: In a summary that was made as the result of yesterday's meeting, this conclusion was reached, with the recommendation that I submit it for your consideration. [Reading]

"That a letter to the Bureau of the Budget be drafted for appropriate Agency coordination, recommending inclusion of provision of retirement coverage for U.S. citizen overseas personnel and foreign nationals, and that provision be made regarding increase of Social Security coverage of Agency employees, and also covering other technical points, as necessary."

MR. REYNOLDS: Would that meet with your approval?

MR. HOUSTON: Enlarging the coverage of the Bill--

MR. REYNOLDS: Recommending inclusion of provision of retirement coverage for U.S. citizen overseas personnel and foreign nationals.

MR. HOUSTON: All Federal employees are covered, aren't they, John [Warner]?

MR. WARNER: Yes - cover people abroad; foreign nationals - maybe, yes.

25X1A9A

FOIAB3B1 [] The Kaplan Bill doesn't cover foreign nationals, and wouldn't cover those persons--a sizeable number of them [] -who are non-citizens of [] citizens--they may b

25X1A6A

MR. WARNER: U.S. citizens abroad and foreign nationals--

MR. HOUSTON: U.S. citizens are covered, I believe, wherever they are.

MR. REYNOLDS: That is what I understood. This was drafted by the Task Force yesterday.

Is that a correct draft, Rud?

SECRET

SECRET

25X1A9A []: Would you read this paragraph 3, Harry, about our discussion with Mr. Kaplan? I think that will clarify it.

MR. REYNOLDS: Two of our people, [] went to see Mr. Kaplan, and the White House Task Force commented to the Bureau of the Budget on the omission of this coverage and made two recommendations. First, that the Civil Service Retirement Act be amended to include either: (a) a new annuity formula for non-citizens; (b) a general authorization for the CSC to establish a variable formula for non-citizen personnel. Second, that separate legislation be enacted to allow U.S. agencies to participate in foreign systems. [Reading]

25X1A9A

"It is believed that the Agency's letter to the Bureau of the Budget should endorse the first proposal; the second does not appear of any importance to the Agency."

MR. KIRKPATRICK: You're mixing apples and oranges, aren't you?

25X1A9A []: The DuFlon Committee does not agree with the proposals of the Kaplan Committee, and they do not believe--

MR. KIRKPATRICK: What are WE proposing in CIA? Are we proposing to ride in on our own Bill?

25X1A9A []: We are proposing to ride in on the Kaplan Bill, which is not adequate, I believe--

MR. HOUSTON: Our thought is that there is something that is hurting us now. There is an adequate Bill, and if we can get what we want done under the Kaplan Bill, that we should go along with it.

MR. KIRKPATRICK: I think we ought to go after accelerated retirement for overseas--

MR. HOUSTON: What I would like to get straight is what we are going to do in regard to this Bill. We feel we should not try to get all these provisions in our own Bill since the Kaplan Bill looks good, and we will need an exemption under Social Security. As I understand now, from the Bureau of the Budget, we move for inclusion of non-citizens without specifying how they are included--is that correct?

MR. REYNOLDS: That is correct.

MR. PFORZHEIMER: Move for inclusion of non-citizens plus the security--

MR. KIRKPATRICK: I move the Council approve that.

SECRET

SECRET

MR. REYNOLDS: You have heard the motion, gentlemen. Those in favor, please say "aye." Contrary minded? [No response] Motion carried.

MR. HOUSTON: The Kaplan Bill does not contain the accelerated retirement provisions, which have been discussed innumerable times, which I believe are still considered desirable by the Career Council, and we feel that we would have to go into that on our own legislation as a separate item.

MR. KIRKPATRICK: Excuse me, Larry- [] are you aware of this provision in the Kaplan Bill that hits at investigators?

25X1A9A

[] The one where the retirement should be in the interest of the Government? I saw that.

25X1A9A

MR. KIRKPATRICK: You don't object?

[] It's not applicable to us in any way, shape or form--just the FBI and one other service.

25X1A9A

MR. HOUSTON: The Immigration Border Patrol--

25X1A9A

[] And the Secret Service.

25X1A9A

[] There is a mandatory injunction, which was filed on August 31, 1955, and we copied this this morning down in the District Court, where the right of a person in the investigative service to retire under this provision has been withheld from him. This is the sort of problem which we will get into if we adopt the investigative service formula or provision, unless we had very special exemptions--

MR. HOUSTON: We are not in any sense engaged, on the whole, in the type of work which is contemplated in that investigative thing. What we want to do is to establish a basis of saying we have a parallel need based on similar situations and, consequently, are entitled, I would say, under regulations established by the Director, preferably, to apply accelerated retirement on that basis. Overseas can be based on various considerations.

25X1A9A

[] The White House Task Force has sent a letter to the Bureau of the Budget recommending specific changes in the Kaplan Bill which are generally in line with the desires that CIA has expressed. Therefore, a possible action would be for CIA to do likewise in parallel action

SECRET

to the DuFlon Committee. I'll read this.

"However, the White House Task Force has commented on this Bill to the Bureau of the Budget that provision be made for giving additional credit to U.S. citizen personnel who retire with 10 or more years of overseas service under this Act using the following formula...."

Now, the formula is entirely different from CIA's, but it seems to me if the White House Task Force and CIA both comment on the same provisions to the Bureau of the Budget, it might be a valid point, and in the reconsideration of this lack in the Kaplan Bill, which we need--

MR. HOUSTON: I will comment on the history of that. There has been violent opposition to any expansion for this accelerated retirement, both within the Administration and the Congress. And when we explored this with the Civil Service Commission's Retirement Section at one time as to whether they thought they could get us under this, they said they would be in a hell of a fight to get it for themselves. Whereas if we can justify it, maybe we will get it.

25X1A9A

[] But the White House Task Force is recommending-- does that mean that is not the Administration's Bill? The White House Task Force is saying to the Bureau of the Budget: "This is not adequate." This is a Civil Service Commission proposal.

MR. PFORZHEIMER: This is a Civil Service proposal.

MR. SAUNDERS: I don't think it would do any harm to at least go on record that we favor it.

MR. KIRKPATRICK: [] how do you favor it? You

25X1A9A

have more people overseas than anybody else, - you and []

25X1A9A

25X1A9A

[]: I think most of the arguments put forward on hazardous duty overseas, or at least the arguments along that line--there are rare cases where you have hazardous duties, and it might be dealt with by some other means. On the other hand, in the Clandestine Services we probably will want to depend on a relatively young group, and I just think it would be a very great benefit to the service if we could have some formula which would provide for their early retirement--I don't mean very early, but reasonably early. What it really amounts to is that, as I see it, for the group of people in Clandestine Services as you get past the age of 50 there will be a percentage that you definitely will want to keep

~~SECRET~~

CONFIDENTIAL

around, for several purposes: one, to continue administrative work of one sort or another, and senior policy work. You will have some who will possibly fit into other parts of CIA. But among the most valuable people we have up to the age of 50 there are those who at that age it might be better for themselves and the service to be approaching retirement age than to carry them for another 15 years, in which case I think we're going to have a burden.

I would therefore suggest that your retirement thing apply to people maybe up to a certain grade--maybe to a 13 or 14, because that would be certain to give you an ample ceiling for that category of clandestine services' people, and be based on overseas duty, because that is the way these people are principally and should be principally used - is overseas. That would be the approach I would personally take, but I haven't had time since I was asked to come here, to canvass the Clandestine Services.

MR. KIRKPATRICK: The last time this was considered the Clandestine Services were in favor of it, but we were also wary, at that time, of making the bid on our own because of opposition. Today I am convinced the Administration does not have an "Administration viewpoint" - if DuFlon as Philip Young's Assistant as Personnel Advisor to the President, in contradistinction as Chairman of the Civil Service Commission, and Kaplan as an expert in the Civil Service Commission takes another view, I don't think we would be at all amiss in taking our own view and going straight forward.

MR. PFORZHEIMER: Kaplan is outside of the Government. He was Chairman of the President's Committee on Overseas Retirement.

25X1A9A

I think the original proposal that was made, I gathered, here, and that is that you just have an automatic accumulation toward earlier retirement, year by year, as a person serves overseas--I don't think that is bad. It's simple as hell. I think the DuFlon thing, if you have to have ten years before it counts, would put us in a terrible fix because you might have a fellow with seven and a half years that you wouldn't want to send overseas and then he would be bucking and kicking around trying to get overseas.

~~SECRET~~

~~SECRET~~~~CONFIDENTIAL~~

25X1A9A

[]: I agree with you. Their proposal, however, is counter to the Kaplan Bill, which doesn't regard this at all. It's another formula which is in the direction in which we want to go - the DuFlon formula. That doesn't mean we would adopt that formula.

MR. HOUSTON: I think the problem immediately is as to whether on the Kaplan Bill we say nothing, we say it should be included, or we drop it.

MR. KIRKPATRICK: I would recommend we go on our own and put it in our Bill, and not comment on the Kaplan Bill, on that point.

25X1A9A

[] Have we time to clear up consideration of that? I feel very much like [] does. The Navy have a provision for voluntary retirement--I have forgotten the years--which takes care of a lot of the Chief Petty Officers and people that want to get out. I have a lot of radio operators who have had 30 years and they've gotten up around 50 and they would like to retire voluntarily. I think the provision is that you retire voluntarily after an "x" number of years of service--which would enable me to get rid of people who have reached their 9, and I think for the people above that there would always be management jobs. Option for voluntary retirement after a certain number of years would be very useful.

25X1A9A

MR. PFORZHEIMER: Do we have an extra week to work these things out?

MR. REYNOLDS: Mr. Kirkpatrick has moved that we write our own Bill, outside of the DuFlon or Kaplan consideration, and that we include in it the voluntary retirement suggested by [] and the extra service credits. Do I hear a second to that motion?

25X1A9A

MR. HOUSTON: And we will not comment to the Bureau of the Budget on the Kaplan Bill, on this aspect?

MR. REYNOLDS: That is added into the motion. Those in favor please signify by saying "aye." Opposed? Motion carried.

MR. PFORZHEIMER: Could we bring the draft back here to the meeting next week, Mr. Chairman?

MR. REYNOLDS: Yes, next Thursday.

MR. PFORZHEIMER: I think it might be helpful if we could talk

~~SECRET~~~~CONFIDENTIAL~~

~~SECRET~~

~~CONFIDENTIAL~~

25X1A9A

with

MR. REYNOLDS: Any further business? If not, this meeting stands adjourned.

. . . The meeting adjourned at 4:50 p.m. . . .

~~SECRET~~

~~CONFIDENTIAL~~